



# Expanding Your Business Find the Right Technology

When it comes to expanding your business, there is much to consider—the right market, the right team, but what about the right technology?

NARPM® affiliate, DIY Real Estate Solutions, talked to Randy Halsne, NARPM® member and president and CEO of Edmond Premier Real Estate Services, LLC, about his experience expanding his business and how the right technology is helping him prepare for future growth.

## **Why did you decide to expand your business?**

I was in the construction and development field for more than thirty years. About five years ago, while watching my 401k decline, I decided to aggressively invest in real estate to reach my retirement goals. I began to actively research the nation for the best areas to buy single-family residences. I looked for areas with growing communities, a good rent ratio, and steady appreciation, and settled on greater Oklahoma City. I also teamed up with my son, Nat Halsne. Together, we grew the business from the 40 properties I owned to 160 under management. Now, with the right tools and team in place, I am ready to grow my business to three times that.

## **Why is the right technology important?**

Nat and I are not accountants or technology experts. We're investors; we're salesmen. We had to replace our generic accounting solution with a property management system, but we didn't want to add new hassles like software maintenance and data conversion. We had to find something simple so we could get up and running quickly. In the end, we went from ground zero to fully operational in a few days because we had the right technology in place from a provider that understood the importance of a quick conversion.

Ultimately, as technology advances, our own systems have to advance as well. Not only because competitors will be moving in that direction, but more

importantly because clients expect it. They expect immediate answers and online communication and integration.

## **Why did you decide to transition from installed software to a Web-based solution?**

I knew I would be on the road 80–90 percent of my work day. I wanted to be able to get the data I needed at the airport, at Starbucks, in any city, from any computer. The Web is crucial when you are in the business of responding to owners. The Web gives you total control, anytime, anyplace. All you need is an outlet and a connection. The Web is universal.

## **How does a Web-based solution work?**

We're all used to installing software on our computer; we're comfortable with that. But once you do that, you can only access your data from that computer. The appeal of the Web is that you can get your data from any computer. All you need is an Internet connection. Think about it: you're on the Web anyway—accessing your e-mail, credit screening, Internet advertising, even Mapquest. Your business is already plugged into the Internet in so many ways. A Web-based solution simply brings it all together.

## **Were you concerned about security?**

I gave it serious thought, but let's look at the reverse. If you have installed software, what do you do when the power goes off in your office, your computer breaks, or your laptop is stolen? You could easily be without your data for 24 hours, maybe even 48, if that happened. With a Web solution, all you need is to get to another computer, which is easy enough to do these days, and your data will be right there.

Do your due diligence of course; look at the history and commitment of your vendor. They should keep a back-up copy of your data "off-site" on




**Randy Halsne** has over 30 years of experience in construction and development. Today, he serves as president and CEO of Edmond Premier Real Estate Services, LLC, based in Edmond, Oklahoma. His son, Nat, is the group's broker/agent. Their company uses DIY Real Estate Solutions Web-based software.

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ment fee rate is eight percent (or .08) with a minimum management fee of \$100 per month, then your break-even rent is \$1,250. In this example, we are encouraging owners of properties that rent for \$1,250 per month or greater to be our clients. Understandably, some owners who have properties with lower-end rents may still want you to manage their properties, but at least you will be better compensated if you do.

To further encourage the establishment of new accounts from more upscale rental home owners, you could also impose a minimum leasing fee which is consistent with your break-even rent amount. This example assumes that your management fees are a percentage of the gross rents and that you charge a leasing fee that is somehow tied to the rent amount.

It is true that some portfolios are primarily made up of lower-end rental properties and the property managers are quite successful at managing these types of properties, but if your experience was like mine then I encourage you to analyze how much more you could be making by focusing on higher-end, easier to manage rental houses with the establishment of minimum fees. 

*The views expressed in this article by the author are his own and do not necessarily reflect the views of Rentals.com or its affiliates.*

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- What criteria would be required to be “the management company”?
- What would the management commission be?
- Is there a management agreement with Fannie Mae?
- Who is going to pay for repairs? If the property manager is required to pay for them up front, how long would it take to be reimbursed?
- What if the tenant won't allow showings?
- Will HVAC and major systems be checked?
- What would prevent the previous owner from putting in a family member as a tenant, allowing them to continue living there, and eventually get paid to leave?
- Will there be a standardized lease?
- Who carries the insurance, both property and liability on the property?
- What kind of authority would the property manager have if there are major repairs needed or habitability issues?
- Would the property manager be expected to pay out-of-pocket and, if so, what is the turn-around time for reimbursement?
- Whose name will be on the utilities?
- What if the tenants don't pay their utilities, creating frozen pipes, etc.?
- What is the pet policy? How detailed will it be? Pit Bulls? Ten cats?

### LOOKING TO THE FUTURE

Never before has government gotten involved in the actual “rental” of private homes. We are entering unprecedented waters and there is much to be considered.

If the goal is to keep the properties rented, then paying tenants to re-locate only creates a vacancy. Of course tenants will stay until Fannie Mae owns the property because then they will be paid to move. Anyone would do the same.

If the goal is to alleviate stress on tenants for moving out of a property they can afford but is in foreclosure, what is the difference in giving them the 30-day notice at the foreclosure (or before if possible), or giving them a 30-day notice when Fannie Mae sells the house, and—using our tax dollars—pays them to leave. I just don't see the rationale here. The tenant will have no vested interest in the property and no reason to maintain it because, eventually, they will have to move. The tendency would be to not allow sale showings because it only means they would need to move sooner.

In my opinion, Fannie Mae is opening up a Pandora's Box that will spiral into new scams and fraud. I think it will further hinder the recovery of the housing market. How sad that Fannie Mae did not confer with the professionals in the rental industry. 

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another server and have many redundancies built into their system. That's what they're in the business to do. For me, I want to focus on growing my business instead of technology maintenance.

### Do you have any other advice for those considering a business expansion?

Talk to other people in the industry. Being a part of NARPM® has been great because it keeps me excited about my business. I really enjoy the Business Owners/Leaders list serve that NARPM® offers. It gets me going in the morning. The other owners are very helpful and responsive to questions. Talking to others in the industry inspires me. 